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In the Supreme Court of the United States

OCTOBER TERM, 1962

BEATTY SAFWAY SCAFFOLD CO., *Petitioner,*

vs.

UP-RIGHT, INC., a Corporation, *Respondent.*

Petition for Writ of Certiorari

To the United States Court of Appeals for the Ninth Circuit

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Petition for Writ of Certiorari

To the United States Court of Appeals for the Ninth Circuit

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Beatty Safway Scaffold Co., of Oregon, prays that a Writ of Certiorari issue to review a judgment of the United States Court of Appeals for the Ninth Circuit entered on its docket No. 16,490 on July 25, 1962.

A certified transcript of the record in the above case (page references thereto being referred to herein as R.), including the proceedings in said Court of Appeals, accompanies this Petition.

CITATIONS TO THE OPINIONS BELOW

The opinion of the Court of Appeals for the Ninth Circuit is reported in 306 F.2d 626, and unofficially in 134 USPQ 379.

This opinion is reproduced in its entirety as Appendix A to this Petition, and at R. 495.

There is a conflicting opinion in the case of *Up-Right and Wallace J. S. Johnson*, Plaintiffs, v. *Safway Products, Inc.*, Defendant, and *R. D. Werner Co., Inc.*, Intervenor, in the United States District Court for the Northern District of Texas, Dallas Division. This opinion is in letter form and is unreported. It is, however, reproduced and appears in its entirety as Appendix B to this Petition. An appeal was taken to the Court of Appeals for the Fifth Circuit and the same was argued on November 14, 1962. A decision is expected momentarily.

JURISDICTION

The judgment of the Court of Appeals was entered on July 25, 1962 (R. 495) and Order Extending Time for Filing this Petition for Certiorari to and including January 21, 1963, was issued by this Honorable Court on November 19, 1962 (Associate Justice Douglas). The jurisdiction of this Court is invoked under U.S. Code Title 28, Section 1254(1).

QUESTIONS PRESENTED

Three questions are presented.

1. Does the Court of Appeals for the Ninth Circuit have the power to adjudicate the merits of a case when it affirmatively appears that Respondent, as the assignee of an unrecorded assignment of the patent in suit, attempts to maintain the suit for infringement in its name alone, when the document of assignment under which it claims was not in evidence either in the District Court or on the appeal?

2. Does the Court of Appeals for the Ninth Circuit have jurisdiction or power to adjudicate the merits of this suit for patent infringement if prosecuted by an exclusive licensee in its own name without joining the patent owner as a necessary party.

(a) where the license under which it claims was not in evidence before the District Court or on appeal so the provisions thereof could be examined and determined,

(b) where it affirmatively appears that Mr. Johnson, the admitted owner of all right, title and interest in and to the patent in suit, was voluntarily dismissed as a party-plaintiff, and

(c) where the Court of Appeals concludes *sua sponte* that an exclusive license *per se* without regard to the contents or provisions of the document permits the licensee to sue for patent infringement in its own name?

3. Was the Court of Appeals for the Ninth Circuit correct in holding as a matter of law that the Johnson patent on a scaffold was infringed in view of the diametrically opposite result arrived at on the same claims of the same patent with the accused structures operating on substantially the same principle with substantially the same structure?

(This Court may wish to postpone the action on this question pending the decision by the Court of Appeals for the Fifth Circuit. This, however, involves only one facet of this Petition.)

STATEMENT OF THE CASE

This is a patent infringement action originally filed by Wallace J. S. Johnson as owner of the Johnson patent in suit and his exclusive licensee Up-Right Inc., Respondent against Petitioner, Beatty Safway Scaffold Co., of Oregon. In the Pre-Trial Order it was agreed by both parties that Wallace J. S. Johnson was the owner of the entire right, title and interest in the patent in suit (R. 17-18). Johnson was therefore the real party in interest under Rule 17 of the Federal Rules of Civil Procedure. It was likewise agreed that Up-Right is and has been Johnson's exclusive licensee. There was no effort by Respondent to offer the license document (R. 64) as counsel stated it was irrelevant.

At the beginning of the trial (R. 62) and long after the Pre-Trial Order, counsel for Up-Right, Inc., represented that an old unrecorded assignment had just been discovered and that the patent in suit had been assigned some five years earlier by Johnson to Up-Right, Inc.* The trial court permitted the voluntary dismissal of Johnson as a party-plaintiff without amending or altering either the pleadings (R. 4, 7) or the Pre-Trial Order (R. 62). The record does not indicate any offer in evidence of the newly discovered assignment document and the court did not rule upon its admissibility. The trial was had before a jury. Neither the exclusive license nor the assignment was in evidence before the trial court and was not before the Court of Appeals on the hearing. There was a fair warning by Petitioner of this failure of proof (R. 176) just before Respondent, Up-Right, rested its case. In spite of this failure of jurisdiction and proof, the jury brought in a verdict for Respondent and a judgment was entered thereon which was affirmed on appeal. The fatal error of this failure of proof and therefore lack of jurisdiction of the subject-matter was not relied upon by Petitioner until the appeal. There was a Petition for Rehearing in the Ninth Circuit further pointing out the errors of power and jurisdiction which was denied without comment.

These are the facts on which Questions 1 and 2 are based.

With respect to Question 3, Claims 1 and 2 of the Johnson patent in suit were relied upon to support the charge of infringement (R. 61). These claims were found by the jury to be valid

*The suspect nature of the missing assignment is heightened by the facts that between the date of its alleged execution and the time of this trial, Johnson was asserted as the owner of this patent in *Up-Right and Wallace J. S. Johnson v. Patent Scaffold, Inc.*, 194 F.2d 457 (9th Cir. 1952) and in *Up-Right and Wallace J. S. Johnson v. Aluminum Safety Products*, 165 F. Supp. 742 (D.C. Minn. 1958). Likewise in the only license granted by Respondent, dated May 1, 1957 (R. 102, 308, Ex. 8, R. 399), Respondent does not warrant that it is the *owner* of this patent but merely that it has the right to grant the license.

and infringed (R. 38), but without any guides as to the basis of the interpretation. In ignoring the plain language of the claims it is apparent that the jury gave them a broadened interpretation beyond their clear language. These very same claims were before Judge Estes in the District Court in Dallas. The Aldek device which was charged to infringe in the Dallas case, is that shown in the Grover et al United States patent No. 2,941,616 which issued June 21, 1960. The Court can take judicial notice of this public document and the fact that it issued over the Johnson patent here in suit, as it shows on its face. The Aldek device operates upon substantially the same principle as the Beatty device and this principle and structure was held not to infringe the Johnson et al patent in suit under an appropriately restricted interpretation of the same claims, which was supported by Findings of Fact. Thus, the interpretation by the District Court in the Fifth Circuit of the identical claims with respect to substantially identical structure and principle, reached a diametrically opposite result from that affirmed by the Ninth Circuit. The District Court in the Fifth Circuit had more prior art and had the advantage of a more informed expert, with the result that the claims properly were given a narrow and restricted interpretation consistent with their position in the art, while the interpretation approved by the Ninth Circuit was broader than was warranted by the language of the claims, and based upon nothing more than the general verdict of infringement.

An appeal was taken by Respondent to the Fifth Circuit Court of Appeals. After briefing, the case was argued and submitted on November 14, 1962, with the decision expected momentarily.

REASONS FOR GRANTING THE WRIT

I.

This Petition presents important questions directed to the power of the trial court to enter a judgment, and the power of the Court

of Appeals to determine issues based upon such a judgment. This is something of general importance and application which this Court has not definitively considered for over one hundred years (see *Shields v. Barrows*, 17 How. 130; 15 L.Ed. 158 (1855)).

The voluntary withdrawal of Johnson as a party-plaintiff left only Respondent, Up-Right, Inc., as the party asserting any interest in the patent. Its interest was stated to be based upon a newly discovered unrecorded assignment which was not placed in evidence and was therefore not before the trial court or the Court of Appeals. Without proof of this document of assignment Johnson remained the only party in interest and so was the indispensable party. The effect of this failure of proof placed the trial court in the position of entering a judgment without having before it the only party essential to the merits of the question.

This Court in *Shields et al v. Barrow*, 17 How. 130, 136; 15 L.Ed. 158, 161, held:

> "It remains true, notwithstanding the Act of Congress and the 47th rule, that a circuit court can make no decree affecting the rights of an absent person, and can make no decree between the parties before it, which so far involves or depends upon the rights of an absent person, that complete and final justice cannot be done between the parties to the suit without affecting those rights."

And, again at page 163, this Court held:

> "It is enough to say that the defendants to it were never lawfully before the court; that the court never obtained jurisdiction over those of the parties who were citizen of the State of Louisiana, and amongst them was Thomas R. Shields, who, though made a part to the original bill by amendment, as a citizen of Mississippi, pleaded that he was a citizen of Louisiana, and was thereupon stricken out of the original bill, and was only a defendant to the cross-bill; that it never had lawfully before it such parties as were indispensable to a decree for the specific performance of the contract of compromise, or for the rescission thereof."

This decision rested on the broad ground directed to the power of the court to adjudicate a person's rights without that party being actually or constructively before the Court, which is exactly the situation here. While the *Shields* case (*supra*) was one in equity, it would appear that the same rule must surely apply in actions at law such as the action here.

The voluntary withdrawal of Johnson, the admitted real party in interest, combined with the failure to prove the assignment to Up-Right, Inc., not only deprived the District Court of jurisdiction of the patent subject matter of the action; but left the District Court without power to enter any judgment affecting those patent rights. It would seem elemental that the Disfrict Court and the Ninth Circuit Court of Appeals had no power to adjudicate or affirm patent rights in the absence of the admitted owner, Johnson.

The objection as to the lack of jurisdiction of the patent subject matter in this action and the lack of power in the court to enter any judgment with respect thereto, can be made at any time, and it was here made upon the appeal to the Ninth Circuit without success. Rule 12 of the Federal Rules of Civil Procedure subparagraph (h)—(2) states in part:

> "* * * that whenever it appears by the suggestion of the parties or otherwise that the court lacks jurisdiction of the subject matter, the court shall dismiss the action."

The rule gives the courts no option or alternatives. This is procedural confirmation of the fundamental that the court does not have the power to grant any judgment or to approve the same, when it appears that it does not have jurisdiction of the subject matter.

It is necessary for this Court to reaffirm the doctrine of *Shields v. Barrow* (*supra*) in order to prevent the lower courts from expanding their power and to prevent adjudication of rights in the absence of the party who admittedly owns them.

II.

It has been something over seventy years since the Court in *Waterman v. Mackenzie*, 138 U.S. 252, 34 L.Ed. 923 (1891) enunciated the principle in Patent Law that only the owner of a patent could sue for the infringement thereof, and that a licensee of a patent who does not receive the rights to manufacture, use and sell has no right to sue for infringement in his own name.* The nature of this principle has to be constantly re-emphasized to protect those accused of infringement from oppressive litigation.

If it be considered here that Up-Right, Inc., could not or did not prove its assignment of the patent here in suit, then being the only party-plaintiff, it was incumbent upon it to prove that it received by its license the full rights tantamount to a transfer of title, and this can only be accomplished by reference to the license document. Respondent made no effort to produce the license document in order to show what was conveyed because its counsel said it was irrelevant (R. 64). The license document was not before the District Court or before the Court of Appeals. There is nothing in the record to show the terms of this license, except that it is called an "Exclusive License". Such an allegation standing alone is not sufficient to establish that Respondent had the right to sue in its own name for infringement. *Panacieu Door & Window Co. v. Van Ness*, 135 F. Supp. 253 (D.C. S.D. Cal. 1955); *Maguire v. Harrington-Richardson Arms Co.*, 79 F. Supp. 81 (D.C. Mass. 1948). Accordingly, not only does the proof show that Up-Right could not sue for infringement in its

*This Court reaffirmed this principle in *Crown Co. v. Nye Tool Works*, 261 U.S. 24; 67 L.Ed. 516 (1923) in considering an assignment. And again in *Independent Wireless Telegraph v. Radio Corporation of America*, 269 U.S. 459; 70 L.Ed. 357 (1926), where the Court held: (p. 468)

"The presence of the owner of the patent as a party is indispensable not only to give jurisdiction under the patent laws but also, in most cases, to enable the alleged infringer to respond in one action to all claims of infringement for this act, and thus either to defeat all claims in the one action, or by satisfying one adverse decree to bar all subsequent actions."

name alone under its license and that Johnson was an indispensable party, being the owner of the patent, but also shows that the bringing of the suit originally in the joint names, the parties themselves did not consider that Respondent, Up-Right, Inc., could maintain a suit for infringement in its own name under its license.

Since Johnson was an indispensable party and since under the rule of *Waterman v. Mackenzie*, (*supra*), Respondent could not maintain an action for infringement in its own name, Johnson became an indispensable party. While it is true that under Rule 21 of the Federal Rules of Civil Procedure, the adding or dropping of parties may be made at the discretion of the trial court, the voluntary withdrawal of the real party in interest deprives the court of jurisdiction of the subject matter. Such lack of jurisdiction cannot be waived, but may be brought to the court's attention at any time. As stated earlier, Petitioner did not raise this issue until the appeal to the Court of Appeals for the Ninth Circuit.

This Court has not spoken directly with respect to the power of the District Courts and the Courts of Appeal to *sua sponte* determine that a document termed an "exclusive license" and which is denied (R. 7), gives jurisdiction of the subject matter without having the document itself in evidence to determine the substance of the provisions conveying the rights.

While this case may seem like the fall of a sparrow, nevertheless, the basic considerations are fundamental and far reaching, and even the meanest of litigants should be protected against the oppression of the courts.

It is necessary for this Court to intervene in order to eliminate the aggressive threat of the narrow claims of the Johnson patent masquerading as and being asserted improperly as broad claims, establishing an unwarranted monopoly to dominate and control the entire industry of lightweight folding scaffolding.

No question of validity of the Johnson patent in suit is involved. The direct conflict of decisions of the District Court in

the Fifth Circuit and the Ninth Circuit Court of Appeals is with respect to the interpretation of and the scope to be given to the claims of the Johnson patent. In other words, the extent of the monopoly afforded by the patent claims. The District Court in Dallas held that the claims of the Johnson patent in the light of the prior patents and uses were directed to a combination of individual elements in a very old and crowded art and involved no new elements. Accordingly, the claims were given only a very narrow range of equivalents and interpretation, and when so viewed, the accused Aldek device did not infringe. The intepretation of the claims was made to accommodate their proper relationship to the prior art, and this interpretation was supported further by searching Findings of Fact and Conclusions of Law. In the *Up-Right* case affirmed by the Ninth Circuit, the jury merely found that the claims were infringed. There were no special findings with respect to infringement, and there is no way of determining just what caused them to render such a verdict, what relative effect they gave to the prior patents and uses, and to give the claims a broad range of equivalents which far exceeded the normal language of the claims themselves. The complete unreliability of such a verdict in patent cases is apparent and this Court should grant the Writ in order to reconcile the conflict between the careful consideration of the prior art by the trial judge in the District Court in the Fifth Circuit supported by appropriate Findings, with the unpredictable and unsupportable interpretation of the jury verdict sustained in the Ninth Circuit.

It is necessary to reconcile this conflict of interpretation in order to avoid confusion in this industry. A manufacturer who makes, sells or uses a folding scaffold structure within the borders of the Fifth Circuit may do so freely, while to make, use or sell the identical structure or substantially identical structure in the Ninth Circuit is at present illegal, and is completely unpredictable in the other eight circuits. Likewise, the United States Govern-

ment would be forced to continue to pay tribute under the broad interpretation of these claims, as it does at the present time (R. 308, 399) all in order to prevent an aggressive multiplicity of lawsuits under the Johnson patent. The vigorous, litigious character of Respondent is well-known in the courts.

CONCLUSION

For each and all of the foregoing reasons, this Petition for Writ of Certiorari should be granted.

Respectfully submitted,

HENRY GIFFORD HARDY
Attorney for Petitioner

(Appendices Follow)

Appendix A

United States Court of Appeals
for the Ninth Circuit

No. 16,490 — July 25, 1962

Beatty Safway Scaffold Co.,	*Appellant,*
vs.	
Up-Right, Inc., a Corporation,	*Appellee.*

Appeal from the United States District Court
for the District of Oregon

Before: HAMLEY and KOELSCH, Circuit Judges and BOWEN, District Judge

PER CURIAM

This is a patent infringement case in which a jury returned a verdict in favor of the appellee and against appellant, respectively plaintiff and defendant in the Trial Court, for infringement of appellee's patented device by appellant's accused device, and for damages incident to the infringement. Appellant timely moved for a directed verdict and for judgment n.o.v. or for a new trial and to alter or amend the judgment entered on the verdict which motions were denied, and this appeal followed. The Trial Court had and this Court has jurisdiction. 28 U.S.C. §§ 1338 and 1291.

Appellee's device in question is a portable and collapsible scaffold patented under letters patent 2,438,173 on March 23, 1948. Appellee's basic structure under the patent is a stand made of an aluminum alloy. It is supported on either end by two sets of poles upon which a platform rests. A ladder which is also a support runs diagonally from a position on the bottom frame bar between the bottom ends of one set of poles to the top of the other set. Due to permanent and detachable hinges, the ladder and two sets of poles may be rotated in such a way as to collapse or erect the scaffold with relative ease, and allowing its transportation or storage in its collapsed condition without taking up much room.

The accused scaffold is almost identical with appellee's scaffold. The only difference is in the location of the hinges, which results in collapsing and folding the accused scaffold in a somewhat different way. It has not been alleged or shown that the appellant's accused scaffold is in any way an improvement over appellee's, but merely that it operates somewhat differently.

The appeal presents several questions.

JURISDICTION. At the trial the Court became convinced that the interest of Wallace J. S. Johnson had been transferred, and dismissed the original patentee Johnson as a party plaintiff. On this appeal now for the first time appellant contends that after Johnson's dismissal, the Trial Court did not have and this Court does not have jurisdiction of the action because, appellant says, appellee did not prove its title and Johnson was and is a necessary party. Such jurisdictional objection, as to timeliness, can as appellant asserts be made at any stage of the proceedings in either Court, provided the objection is based upon sufficient grounds.

That jurisdictional objection includes the more specific contention that the Trial Court did not by specific order expressly admit in evidence as an exhibit the assignment (Ex. 1-B) from

Johnson to appellee, and that without that exhibit the Court was deprived of necessary evidence of appellee's title. Attached to appellee's brief is an affidavit by the District Court deputy clerk containing an *unofficial list* of documents received in evidence including this Exhibit 1-B. But, as appellant says, the record does not show any specific order by the Trial Judge expressly admitting in evidence that Exhibit 1-B. We do not decide whether or not that affidavit and its stated facts are alone sufficient to reflect the proper admission of such assignment in evidence because our decision if favorable to appellant would not dispose of the matter. There yet remains to be considered important additional evidence supporting appellee's right to sue.

Of interest here is the landmark case of Waterman v. MacKenzie, 138 U.S. 252, holding that any "assignment" or transfer which is short of granting the "exclusive right to make, use and vend" the invention in the United States is merely a license which does not permit the licensee to sue in his own name. Thus, the exact nature of the transfer and the rights which it conveys must be closely scrutinized.

In connection with its consideration of the deletion of Johnson as a party plaintiff, the Trial Court asked appellant's counsel if he had any objection, and stated "he (Johnson) claims he has transferred *all of his interest* to the corporation" (parentheses and emphasis added). Counsel for appellant in part replied "My only objection, your Honor, is that it comes at a very late time . . . I am only interested in the right thing to do, and I have no objection". This would clearly indicate that appellant then recognized the existence of the assignment from Johnson to appellee, and that appellant waived its right to object for lack of such jurisdiction. Thereupon the Court ordered deletion of Johnson's name as party plaintiff, without objection from either party.

The information contained in Johnson's own claim above mentioned is that Johnson personally claimed that as a fact he had

transferred all of his interest in the patent to appellee. Appellee's attorney stated at the trial that "We labeled that patent as 1, and 1-A and 1-B are the two assignments we located Sunday, and they are before your Honor, *showing title in the plaintiff*" (emphasis added). To those statements at the trial appellant's attorney made no objection.

After discussing appellee's exhibits near the close of plaintiff's case in chief, appellant's counsel informed the Court that he did not wish to exercise his reserved right to cross-examine Mr. Johnson further regarding exhibits, and returned the exhibits including the assignment from Johnson to the appellee corporation after appellant's counsel had had those exhibits in his possession for study overnight.

Respecting appellant's waiver during the trial of objection to appellee's title and right to sue, and not as proof of untimeliness of appellant's jurisdictional objection, the circumstances referred to in the next two paragraphs are very significant and important. In its motions for directed verdict at the close of appellee's case in chief and again upon the close of all the evidence, appellant based those motions only upon alleged invalidity and non-infringement of appellee's patent and lack of proof of damages. Appellant did not at those times, nor at any time during the trial nor until this appeal, object to the Trial Court's jurisdiction, nor object that appellee did not establish its right to sue, nor did appellant during the trial dispute the fact that *all* of Johnson's interest had been assigned to appellee.

Finally, standing above and controlling all other related evidence is the agreed fact of the pre-trial order which states that appellee is the "exclusive licensee" of the patent.

From all of the foregoing it must be concluded that appellee received from Johnson the exclusive right "to make, use and vend" the appellee's patented scaffold in the United States, and that appellee may sue in its own name for enforcement of its

rights under that patent. These facts amply meet the test laid down in Waterman, *supra*. We accordingly hold that appellant's objection to jurisdiction is not well taken.

VALIDITY OF PATENT. Appellant contends that the normal presumption of patent validity, with the burden of proving invalidity resting upon the one asserting it, as provided in 35 U.S.C.A. § 282, does not apply where the Patent Office at the time the patent was issued did not have knowledge of prior patents of the prior art. In this case, the Patent Office when appellee's patent was issued did not have before it knowledge of the Martin patent 1,912,947, calling for an allegedly similar scaffold to the one in issue.

Appellant's contention appears to misconstrue the presumption involved. The rule is that the presumption always applies, but when it is shown that the Patent Office did not have prior patents before it, such patents may rebut the presumption of validity. This depends, of course, upon whether the undisclosed prior patents are substantially the same as the later patent in question. Thus, at the outset the presumption is still applicable. It remains to be seen whether that presumption has been rebutted by an undisclosed and significant prior patent. We think as indicated by the Trial Court that consideration of the illustrative drawings of the Martin patent should leave any one unconvinced of substantial similarity of the Martin patent with appellee's patent.

Appellant contends that the description contained in Claim 1 of appellee's patent is invalid because it omits an essential element which is required for the scaffold to operate. The omission is of a bar which is not a fixed part of the scaffold, but is attached after the scaffold is assembled between the two sets of vertical poles supporting the platform. This bar is used for additional support and prevents the scaffold from collapsing while in use.

Against that contention appellee urges that the essential structure patented here is a collapsible or folding scaffold, and that it is this precise foldability that is a basic claim of the patent. Viewed as such, the brace omitted in Claim 1 would not be essential because it has nothing to do with the easy erection or foldability of the scaffold, but only supports it while in use. On the other hand, the scaffold, once erected, could not be used without the omitted brace, and therefore the brace is an essential part of Claim 1 respecting operability of the patented device as a usable scaffold, as appellant asserts.

Appellee contends, however, that in such a situation resort may be had to the specifications contained in the patent which clearly describe the brace in question. However, Graver Tank, etc., v. Linde Air Products, 336 U.S. 271, held that if the claim is *un*ambiguous, the specifications cannot be resorted to to save the patent. This ruling has been followed by this Court in Winslow Engineering, etc., v. Smith, 223 F.2d 438. But the usual situation in which this rule is applied is where the claim is invalid because of overclaiming, so that specifications cannot be used to make them less inclusive. There is good reason for not applying that rule here, and we do not do so, because the claim is *under*-inclusive, and therefore ambiguous, requiring a look at the specifications to explain the gap or to fill in the details. That conclusion is, where ambiguity exists, permissible if not implied in the following excerpt from Graver Tank, *supra*, quoted in Winslow, *supra*, at pages 443-444 of 223 F.2d: ". . . *When they* (the cases) do so (involve overclaims) to the point of invalidity and *are free from ambiguity which might justify resort to the specifications*, we agree with the District Court that they are not to be saved because the latter are less inclusive." (parentheses and emphasis added).

Further, as a practical matter this discussion as to the Claim 1 omission is somewhat academic because even if Claim 1 is held

invalid, Claim 2 is identical except that it includes a description of the brace omitted in Claim 1, and, if there is infringement, it would operate against Claim 2 of appellee's patent and require an affirmance of the jury's verdict.

Appellant contends that the same basic structure patented by appellee existed in the prior art, and that since appellee's patent does not add anything new to the prior art, it is invalid as to both Claims 1 and 2.

Whether appellee's device comprises a patentable improvement over the prior art is ultimately a question of law based upon the rule that "The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention". Lincoln Eng. Co. v. Stewart-Warner Corp., 303 U.S. 545, 549. But where there is substantial evidence of uniting old art parts or elements in such manner that they form or produce a new function or operation, the question of fact as to whether they do so or not may upon such evidence be submitted to the jury, as was properly done in this case. Moist Cold Ref. Co. v. Lou Johnson Co., (9 Cir., 1957) 249 F.2d 246, 255, cert. den. 356 U.S. 968. There this Court ruled that "Again, whether the claims of the patent in suit were sufficiently definite to satisfy the statutory requirement as to particularity is a question of fact, decided by the jury in appellant's favor by its answer to the special interrogatories. We believe the presumption of validity, arising from the issuance of the patent, plus the expert testimony introduced, is sufficient to make this a question for the jury to determine". Very similar to that just quoted is the factual situation here.

Appellant contends that if the real invention here is foldability of the scaffold, then appellee has not complied with 35 U.S.C. § 112 (old § 33, R.S. 1888 in effect when appellee's patent issued), which requires that the inventor "point out and dis-

tinctly claim the part, improvement or combination which he claims as his invention or discovery". Appellee's Claims 1 and 2 do not expressly claim foldability, but with the specifications and drawings do explain how the integral parts of the scaffold are "hingeably" connected or detachably connected. Appellant urges that respecting foldability of the scaffold it is necessary to have a particular type of offset hinged connection, as well as certain proportions between the various elements of the scaffold, in order to achieve the desired result.

On that point appellant's contention essentially is that Claims 1 and 2 are inoperative without a more detailed description of the type of hinges required to effect the proper folding of the scaffold. It would appear necessary for appellee to particularly describe the type of hinged connection in order to claim "a hinge".

Appellant charges appellee with overclaiming, and urges that by claiming only a "hinged connection" appellee has attempted to claim all hinges when in fact only specific hinges will accomplish the desired result. The drawings in the patent indicate that three horizontal bars supporting the platform are connected on one side on top of the trunnions, while on the other they are connected underneath the trunnions. This difference on either side is referred to as an "offset hinge", which allows the scaffold to fold in the manner required.

Appellee contends and we agree that the term "hinged connection" can be easily explained by referring to the drawings and specifications wherein the type of hinge is explained, and for that reason we think appellee has sufficiently claimed the hinges and other components necessary to accomplish the improved foldability of appellee's device, as in effect the jury found.

In this case in returning its verdict, the jury was required to answer the interrogatory, "Do the individual elements in the claims when joined together produce a new, improved and additional result" and answered: "Yes". We think there is ample evidence in this case to support that special verdict of the jury.

The patent in the prior art closest to this one is the Martin patent. A brief comparison of the two indicates that the Martin patent is much more cumbersome and would not be as easily adaptable to the quick tower construction for which appellee's structure was partially designed. The ladders in the Martin patent are at each end of the platform, while in appellee's patent they are secured safely and diagonally between the end poles. Though the same result is accomplished, i.e., a foldable scaffold, appellee's device greatly improves and adds to the Martin device, and for that reason provides a patentable improvement over the prior art, in harmony with the jury's general and special verdicts.

While it is true in this case that appellee's invention incorporates many of the elements contained in the prior art, it is also true that they are first, combined in such a way as to function differently, and second, supplemented by the addition of hinged connections which enable the scaffold to be erected and folded quickly. Each individual scaffold unit under appellee's patent can be attached on top of another unit with relatively great speed, and there is evidence in the record that appellee constructed a 204-foot tower in eight hours. In addition to witness Johnson's testimony, also in this record is the highly persuasive testimony of the appellant's own expert witness that in appellee's patented device "There very definitely was an advance . . . over the prior art. We hold that appellee's patent is valid as against appellant's attack.

INFRINGEMENT. Appellant contends that there is no literal infringement here and that the doctrine of equivalents is not available, for one reason because Johnson admitted that the allegedly similar connections were not equivalent connections. Johnson was not the appellee but made that admission as a witness.

Mr. Justice Jackson stated in Graver, *supra*, that there rarely is a literal infringement; and there is not literal infringement

here because the hinged connections are in different locations on the two scaffolds and the detachable connections are on different elements.

As to infringement of appellee's patented scaffold by the accused scaffold, the real question is whether the doctrine of equivalents applies. The essence of appellee's claim to accomplish foldability is that there be two hinged connections; then the other parts of the scaffold can be rotated about the connections to accomplish the folding. In appellee's structure, the two hinged connections are on the upper portion of the two supporting poles; the detachable connection is on the lower portion of the ladder. In appellant's structure, the hinged connections are on either end of the diagonal ladder, so that one is on top of a supporting pole, the other on the bottom of the opposite supporting pole; the detachable connection is on the upper portion of the other supporting pole opposite the hinged connection. It can be seen from this that appellant has merely shifted the same basic connections to different locations, but in such a way as to accomplish the same result. It is true that the folding of appellant's device is accomplished somewhat differently, yet the basic "foldability" is still accomplished by the necessity of two hinged and one detachable connections.

This seems to be a perfect case for application of the equivalents doctrine which, among prohibited infringers, includes devices substantially similar to the patented device. We think as did the jury that the accused device of appellant infringes appellee's patented device.

INSTRUCTIONS. Appellant next contends that the Court erred in failing to give two of its requested instructions. The first of such requests is that, in effect, if appellee's patent claims hinged connections generally, and a special kind of hinge is necessary, the claim would be invalid. This same basic instruction was in substance given to the jury many times during the course

of the Court's instructions. The Court, in effect, instructed the jury to examine the claims and determine whether one skilled in the art could determine whether the "hinged connections" were sufficiently descriptive of the hinges necessary to accomplish foldability, that they could look at the specifications and drawings, not to expand or limit the claims, but to explain them, and that if they found that all hinges were claimed, the patent was invalid, but if limited to a particular type of hinge, it was valid.

Appellant's second requested instruction, not given by the Court, is that, in effect, if appellee overclaimed all types of hinges, some of which will and some will not accomplish the intended result, and if a specific type of hinged connection was found to be required, then it has abandoned any special hinging in the invention and dedicated such hinging to the public. It does not appear from the instructions that the Court gave this one, but the Court did fully and properly instruct the jury respecting the effects of overclaiming, if any was found to exist, and did otherwise fully and properly instruct the jury. The Court did not err in refusing to give appellant's requested instructions.

PREJUDICAL REMARK. Appellant contends that, after the jury had retired to consider their verdict and then were called back by the Court to see if they needed assistance, the Trial Judge made a prejudicial remark in response to the foreman's question. The foreman asked the Court whether the question of royalty, i.e., the royalty imposed for the reasonable use of the invention by the infringer, was limited to this particular case or to "anything else". The Court replied that it was limited "just to this case". Appellant urges that it was error for the Court not to instruct the jury at that time that more was at stake then the $20.42 requested by appellee for the sale of one scaffold unit by the appellant. However, it clearly appears that the Court had fully and correctly instructed the jury on the measure of damages.

Besides, the Judge's response "just to this case" was correct as no issue was then before the Court and jury respecting the recovery of damages other than those caused by the sale of one accused device of the appellant. No error was committed by the Trial Judge by this answer to the foreman's question.

DAMAGES. Appellant contends that appellee did not establish any royalty rate which could be used by the jury in assessing damages and that appellant's motion for directed verdict should have been granted for failure to prove any damage.

In this kind of action, the successful patentee is entitled either to an established royalty rate, if there is one, or, if not, a reasonable royalty rate. There was evidence of one license granted by appellee to the government for two patents at the rate of 5% royalty. The Court instructed the jury that they could consider this license rate in determining what a reasonable rate of royalty would be in this case. There was no evidence of other royalties paid by other licensees to appellee. The jury returned a verdict of $12.25 based on a 3% royalty on the one $408.50 sale.

A reasonable royalty is one which a licensee would be willing to pay and still make a reasonable profit out of use of the patented article. The Court instructed the jury in almost identical terms. This appears to be a proper instruction.

Appellant contends that the lease to the government involved two patents, and this was not made clear to the jury, because the Court only instructed them that they could not exceed the 5% rate established by that lease. The fact that the jury found a 3% rate would indicate that they recognized the differences between the government lease and one with private enterprise. In any event, the proper standard for measuring damages was given to the jury and their verdict based on the rate of 3% on the one sale in question as found by the jury was not excessive or unreasonable under the circumstances.

In summary, our examination and consideration of the record and briefs and arguments of counsel convince us that this case was tried by experienced patent lawyers and was by the Court's instructions thoroughly and painstakingly submitted to the jury upon conflicting evidence as to all the material issues in the case. In addition to requiring their general verdict, the Court submitted to the jury the following questions which they answered in the following manner:

(1) Does the written description state the manner of constructing and using the scaffold in full, clear, concise and exact terms so as to enable a person skilled in the art to make, construct and use it?

Answer of the Jury: "Yes."

(2) Do Claims 1 and 2 point out and distinctly claim invention?

Answer of the Jury: "Yes."

(3) Do the individual elements in the claims when joined together produce a new, improved and additional result?

Answer of the Jury: "Yes."

In accordance with the three special findings and the general verdict of the jury, the Trial Court properly entered its judgment for appellee Up-Right, Inc., a corporation, and finding no reversible error we affirm the Trial Court's action. So ORDERED.

(Endorsed) Per Curiam Opinion Filed July 25, 1962.

Frank H. Schmid, Clerk.

Appendix B

United States District Court — Northern District of Texas

Dallas 21, Texas

Chambers of
Joe Ewing Estes
Chief Judge

June 20, 1961

E. Hastings Ackley
Wilson Building
Dallas 1, Texas

Mellin, Hanscom & Hursh
Oscar A. Mellin
391 Sutter St.
San Francisco 8, Calif.

Carrington, Johnson & Stephens
Mr. Paul Carrington & Mr. Marvin Sloman
1700 Mercantile Bank Bldg.
Dallas 1, Texas

Gentlemen:

Having heard and viewed the evidence presented and studied thoroughly the excellent briefs presented to the court, I have determined that plaintiffs' Johnson patent has not been infringed by the accused Aldek device of Defendant and Intervenor. Plaintiffs' patent, a combination patent in a very old and crowded art which embodies no new individual elements, is entitled at most to only a very narrow range of equivalents. The accused device does not fall within this range. The Aldek device is simpler, safer and more efficient in operation, and is substantially and materially different in structure, mode of operation, and result.

It is therefore unnecessary to decide the issue of the validity of plaintiffs' Johnson patent.

The court is further of the opinion that no attorney's fees should be awarded in this case.

Defendant and Intervenor will prepare and submit findings of fact, conclusions of law, and judgment in accordance herewith.

Very truly yours,

/s/ Joe E. Estes

Joe E. Estes

U. S. District Judge

JEE:b

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FILED
FEB 14 1963
JOHN F. DAVIS, CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1962

No. 749

BEATTY SAFWAY SCAFFOLD CO.,
Petitioner,

vs.

FP-RIGHT, INC., a Corporation,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

OSCAR A. MELLIN,
111 Sutter Street,
San Francisco 4, California,
Attorney for Respondent.

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In the Supreme Court
OF THE
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OCTOBER TERM, 1962

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Petitioner,
vs.
UP-RIGHT, INC., a Corporation,
Respondent,

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

PRELIMINARY STATEMENT

In this brief we will refer to pages in the brief and petition of petitioner as "P.B. ....." and to the appendix to the petition and brief of petitioner as "P.A. .....".

OPINIONS BELOW

The opinion of the Court of Appeals for the Ninth Circuit is reported at 306 F. 2d 626 and is printed at P.A. 1-13.

The opinion of the District Court for the Northern District of Texas, Dallas Division, in Up-Right and Wallace J. S. Johnson, Plaintiffs, v. Safway Products, Inc., Defendant, and R. D. Warner Co., Inc., Intervenor, Civil Action No. 8102, is unreported but is printed at P.A. 14-15.

JURISDICTION

The jurisdictional requisites are adequately set forth in the petition at P.B. 2.

QUESTIONS PRESENTED

Three questions are presented by petitioner. Questions 1 and 2 are alternative questions as to the right of respondent to maintain suit, and are rephrased as follows:

1. Whether there was sufficient proof that respondent was the assignee of the patent in suit so as to entitle respondent to maintain a suit for infringement in its name alone without the presence of the assignor.

2. Alternately, whether there was sufficient proof that respondent was such an exclusive licensee of the patent in suit so as to entitle respondent to maintain a suit for infringement in its name alone without the presence of the licensor.

The third question presented by petitioner may be rephrased as follows:

3. Whether the Court of Appeals for the Ninth Circuit was correct in holding that the patent in suit was

infringed by petitioner's scaffold when a District Court in the Fifth Circuit held the same patent not to be infringed by a scaffold made by another manufacturer.

STATEMENT OF THE CASE

The present case is a patent infringement action originally brought by Wallace J. S. Johnson and Up-Right, Inc. (the latter being the respondent here) against Beatty Safway Scaffold Co. of Oregon (petitioner here). In the Pre-Trial Order (R. 17) it was agreed that Mr. Johnson was the owner of the patent in suit (R. 17-18) and that Up-Right, Inc., was the exclusive licensee under the patent in suit (R. 18).

After the Pre-Trial Order had been entered, counsel for plaintiffs, Mr. Johnson and Up-Right, Inc., discovered an unrecorded assignment of the patent in suit from Mr. Johnson to Up-Right, Inc., and produced this assignment at the trial before the jury was impaneled (R. 62). The Court thereupon made an order deleting Mr. Johnson as party plaintiff (R. 62). The assignment was then identified as Exhibit 1-B (R. 63).

Mr. Johnson was present at the trial and testified that he had assigned the patent in suit to Up-Right, Inc. (R. 75).

Counsel for respondent during the trial withdrew the assignment and the exclusive license from Mr. Johnson to Up-Right, Inc., so that he could read them in order to see if he wished to cross-examine Mr. Johnson as to the contents of these documents (R. 175-176). These

documents were returned the next day (R. 178) and Mr. Johnson was not cross-examined on them.

The printed record is silent as to when the assignment from Mr. Johnson to Up-Right, Inc., identified as Exhibit 1-B, was admitted into evidence. However, the District Court deputy clerk subsequently made an affidavit to the fact that the unofficial list kept by him at the trial showed Exhibit 1-B was received in evidence. The Clerk of the United States Court of Appeals for the Ninth Circuit made affidavit to the fact that Exhibit 1-B was transmitted from the Clerk of the District Court for the District of Oregon to the Court of Appeals as part of the record in the case. These affidavits were filed with the brief on appeal by Up-Right, Inc., and are reproduced in Appendices A and B to this brief.

As to the third question raised by petitioner, the chronology of the present case and the suit in the Fifth Circuit is as follows:

1. The trial in Up-Right, Inc. v. Beatty Safway Scaffold Co. was held in Portland, Oregon, resulting in a judgment for Up-Right, Inc., that the patent in suit was valid and infringed.

2. The appeal in Up-Right, Inc. v. Beatty Safway Scaffold Co. was argued before the Court of Appeals for the Ninth Circuit, and submitted for decision.

3. The suit in Texas, Up-Right, Inc. et al. v. Safway Products, Inc. et al., came on for trial in Dallas, Texas.

4. In the Texas case, the District Court held the same patent in suit not to be infringed.

5. An appeal was filed by Up-Right, Inc., in the Fifth Circuit, Appeal No. 19,286.

6. The Court of Appeals for the Ninth Circuit affirmed the judgment in Up-Right, Inc., v. Beatty Safway Scaffold Co.

7. The Texas case was argued before the Court of Appeals for the Fifth Circuit on November 14, 1962, and was submitted for decision.

8. To date there has been no decision by the Court of Appeals for the Fifth Circuit.

ARGUMENT

The petition for writ of certiorari should be denied as to petitioner's first two questions on the ground that there is no legal question involved which requires the attention of this Court. As to petitioner's third question, the petition should be denied because the question is not yet ripe.

QUESTIONS 1 AND 2

The Matters Sought to Be Reviewed Here Are Purely Factual.

The crux of the problem presented in petitioner's first and second questions is whether the *facts* of the present case are sufficient to have permitted Up-Right, Inc. to maintain suit alone, either as an assignee or as an exclusive licensee of the patent in suit.

These facts were carefully reviewed by the Court of Appeals for the Ninth Circuit (P.A. 2-5) and it was held that the facts entitled Up-Right, Inc. to maintain suit alone.

There is no question before this Court as to the *legal* requirements for maintaining a suit, since petitioner does not appear to challenge the well-established law that an assignee of a patent may maintain a suit for patent infringement alone, or that an exclusive licensee may maintain a suit for patent infringement alone without joining the licensor, *Waterman v. Mackenzie*, 138 U.S. 252 (1891).

There is no particular public interest here (as contrasted with the private interests of petitioner and respondent) which compels this Court to review the factual determination of this case, and a decision by this Court would have no bearing on any other case unless its facts were precisely as here.

The Decision of the Court Below Is Correct.

As a further reason for denying the petition, we urge that the Court below was entirely correct in deciding that the respondent had sufficient standing to sue alone, and that the Courts below therefore had jurisdiction over the matter.

The facts of the case show that Up-Right, Inc. was an assignee of the patent in suit. The assignment was in evidence, as indicated by the fact that it was transmitted to the Court of Appeals as part of the record of the case and was stamped as being received in evidence during the trial.

Even if it could be considered that the written assignment, Exhibit 1-B, was not in evidence, nevertheless there is oral testimony (R. 75) that the patent in suit had been assigned from Mr. Johnson to Up-Right, Inc. Petitioner made no objection at that time, or at any

other time at the trial (in spite of the fact that petitioner's counsel inspected the assignment during the trial) that such oral testimony was not the best evidence of this transfer of interest. Thus, petitioner has waived any right to raise this issue now, since it is hornbook law that secondary evidence to establish a fact is admissible when no objection is made that existing best evidence should be produced. See, e.g., *Sublett v. Henry's Turk & Taylor Lunch*, 21 C. 2d 273 (1942).

Clearly, the facts of this case show that Up-Right, Inc., was entitled to maintain suit as an assignee of the patent in suit.

However, even if it could be considered that Up-Right, Inc. was not an assignee, yet the record clearly establishes the right of Up-Right, Inc. to maintain suit alone as an exclusive licensee under the patent in suit.

In the Pre-Trial Order, it was agreed that Up-Right, Inc. was an exclusive licensee under the patent in suit (R. 18). Petitioner now argues that the exclusive license was not introduced in evidence. However, the primary purpose of pre-trial proceedings is to agree on facts in order to eliminate cluttering the record with unnecessary evidentiary material. The Trial Court suggested to petitioner's counsel that he could put this license into evidence if he so desired (R. 64). Petitioner's counsel did study the document, but did not seek to establish any proof at the trial to subtract from the unqualified agreement in the Pre-Trial Order that Up-Right, Inc. was an exclusive licensee (R. 18).

Therefore, under the following rule expressed in *Waterman v. Mackenzie*, 138 U. S. 252 (1891), respondent, Up-

Right, Inc., plainly could maintain suit alone, and thus the Trial Court had proper jurisdiction:

> "... The patentee or his assigns may, by instrument in writing, assign, grant, and convey, either (1) the whole patent, comprising the exclusive right to make, use, and vend the invention throughout the United States; or (2) an undivided part or share of that exclusive right; or (3) the exclusive right under the patent within and throughout a specified part of the United States. Id. § 4898. A transfer of either of these three kinds of interests is an assignment, properly speaking, and vests in the assignee a title in so much of the patent itself, with a right to sue infringers. In the second case, jointly with the assignor. In the first and third cases, in the name of the assignee alone."

QUESTION 3

Petitioner in its third question raises the point that there are conflicting opinions from the Court of Appeals of the Ninth Circuit and a District Court in the Fifth Circuit as to the scope of the claims of the patent in suit.

As brought out previously, the judgment of the District Court in the Fifth Circuit has been appealed to the Court of Appeals for the Fifth Circuit, and is presently under submission to that Court. There is, at present, no way of determining what the decision of the Court of Appeals for the Fifth Circuit may be, and it may well be that there will be no conflict at all between the Fifth and Ninth Circuits as to the scope of the claims of the patent in suit. Accordingly, it is not seen that any grounds exist for a present review of this matter by this Court.

CONCLUSION

For the reasons expressed above, the Petition for Writ of Certiorari should be denied.

Dated, San Francisco, California,
February 8, 1963.

Respectfully submitted,

OSCAR A. MELLIN,
Attorney for Respondent.

(Appendices A and B Follow)

Appendix A

In the United States District Court for the District of Oregon

Civil Action No. 9379

Up-Right, Inc., a corporation and Wallace J. S. Johnson, an individual,
Plaintiffs,

vs.

Beatty Safway Scaffold Co., a corporation,
Defendant.

AFFIDAVIT

State of Oregon
County of Multnomah—ss.

I, RICHARD WILLIAM DAVIS, being first duly sworn, depose and say:

That I am a deputy clerk of the United States District Court for the District of Oregon and was such official at the time of the trial of the above cause and acted as clerk for the Honorable Gus J. Solomon, judge of said Court, during the trial of said cause;

That attached to this affidavit is a list which I prepared of exhibits offered in evidence of said case with a

notation of those received and those rejected, which list was filed as an unofficial document in the file of said case;

That according to my records noted at said time the exhibits received or rejected were as shown on the attached certified copy of the list unofficially made and filed by me.

RICHARD WILLIAM DAVIS.

Subscribed and sworn to before me this 3rd day of May, 1960.

(Seal)

GORDON R. GRIFFITHS,
Notary Public for Oregon
My Commission Expires March 21, 1961.

Exhibits Civil 9379

Upright, Inc. v. Beatty Safway Scaffold Co.

Plaintiff exhibits		
1.	Original of patent in suit	Recd.
1-A	Assignment dated Dec. 31, 1947, from T. H. Harvey to W. J. S. Johnson of Harvey's interest in patent in suit.	Recd.
1-B	Assignment dated Aug. 5, 1954, from W. J. S. Johnson to Upright, Inc. of patent in suit.	Recd.
2.	File wrapper of original patent in suit.	Recd.
3-A.	Enlargement of figures 1 and 2 of patent in suit.	Recd.
3-B.	Enlargement of figures 3 and 4 of patent in suit.	Recd.
4.	Full size scaffold of pltf with second section.	Recd.
4-A.	Brochure on pltfs "stairway-type scaffold	Recd.
5.	Full size Beatty Safway scaffold.	Recd.
5-A	Enlarged photo of defts scaffold from deft's brochure.	Recd.
5-B	Brochure describing Beatty Safway Scaffold.	Recd.
6-A to 6-E.	Photographs of defts scaffold, series in erection.	Recd.
7-A to 7-E.	Photographs of pltfs scaffold, series in erection.	Recd.
8.	Agreement between U.S.A. and Upright Inc. re manufacture of scaffolds by U.S.A.	Recd.
8-A to E.	Letters re agreement, Exhibit No. 8	Rejected
9.	Brochure describing use of pltf's scaffold as a tower.	Recd.

Defendants exhibits

A.	See pre-trial order for description	Rejected
B.	" " " " " "	Rejected
C.	" " " " " "	Rejected
D.	" " " " " "	Recd.
	Contains 15 numbered sub-parts.	
D-10-A	Blown up pictures from D-10.	Recd.
D-9-A	Blown up pictures from D 9	Recd.
E sub.	R photo of scaffold at Herald Square, N.Y.	Recd.
E sub.	T Drawing of prior scaffold	Recd.
E sub.	W Photo of stair way scaffold at bridge site 4-10-40.	Recd.
E sub.	X Page 75 Vol. p. 705 Engineering News Record 11-21-40.	Recd.
F sub.	O Photo of stairway scaffold at construction site	Recd.
F sub.	Q Drawing of stairway.	Recd.
H.	Model scaffold with top tangential welds	Recd.
I.	Model of scaffold with radial welds	Recd.
L.	Model of pltfs scaffold as shown by patent.	Recd.
J.	Model of defts scaffold.	Recd.

A True Copy.
(Seal)

R. DeMott, Clerk
By R. W. Davis
Deputy Clerk

Appendix B

ASSIGNMENT

WHEREAS, Wallace J. S. Johnson, of the City of Berkeley, County of Alameda, State of California, hereinafter designated "Assignor", has invented new and useful improvements in scaffolds, which inventions are fully described in Letters Patent of the United States: No. 2438173 Portable and Collapsible Scaffolding Unit, issued March 23, 1948; No. 2,618,496 Adjustable Supporting Leg, issued November 18, 1952; No. 2,665,950 Portable Scaffold Unit, issued January 12, 1954 and

WHEREAS, Up-Right, Inc., a California corporation, having its principal office and place of business in the City of Berkeley, County of Alameda, State of California, hereinafter designated as "Assignee", is desirous of acquiring the entire right, title and interest in and to said invention, and in, to and under these Letters Patent of the United States;

NOW Therefore, To All Whom It May Concern, be it known that for and in consideration of the sum of Thirty-four Thousand Three Hundred Sixty-five Dollars and Twenty-nine Cents ($34,365.29) and other good and valuable considerations received by the said Assignor from said Assignee, aforesaid, the receipt of which is hereby acknowledged, the said Assignor has sold, assigned, transferred and set over, and does hereby sell, assign, transfer and set over unto said Assignee, aforesaid, its successors and assigns the full and exclusive right, title and interest in, to and under the said inventions, and in,

to and under these Letters Patent of the United States referred to in the first paragraph of this assignment.

In Testimony Whereof, I have hereunto set my hand and seal this 5th day of August, 1954.

Wallace J. S. Johnson
Assignor

Pltfs. Exhibit 1-B
Case 9379 Recd.
Rptr. G. G.——
Date 2-5-59
Clerk K. O.

State of California
County of Alameda—ss.

On this 5th day of August, 1954, before me, Thora Lee, a notary public, personally appeared Wallace J. S. Johnson, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

In Witness Whereof, I have hereunto set my hand and Notarial Seal this 5th day of August, 1954.

(Seal) Thora M. Lee,
Notary Public.

My Commission expires May 7, 1958.

In the United States Court of Appeals
for the Ninth Circuit

I, FRANK H. SCHMID, Clerk of the United States Court of Appeals for the Ninth Circuit, do hereby certify that the foregoing two pages are a full, true and correct copy of Plaintiff's Exhibit 1-B, as the original thereof transmitted from the Clerk of the District Court for the District of Oregon, as a part of the record in the cause of, Beatty Safway Scaffold vs. Up-Right, Inc., No. 16490 remains on file, and appears of record in my office.

Attest my hand and the seal of this Court at San Francisco, California, this fourth day of May, 1960.

(Seal)

FRANK H. SCHMID,
Clerk, of the United States Court of Appeals, Ninth Circuit.

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FEB 21 1963
JOHN F. DAVIS, CLERK

In the Supreme Court of the United States

OCTOBER TERM, 1962

No. 749

BEATTY SAFWAY SCAFFOLD CO.,
Petitioner,

vs.

UP-RIGHT, INC., a Corporation,
Respondent.

Petitioner's Reply Brief

HENRY GIFFORD HARDY
513 Mills Building
San Francisco 4, California
Attorney for Petitioner

SORG PRINTING COMPANY OF CALIFORNIA, 150 FIRST STREET, SAN FRANCISCO 5

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Lessor of Fisher v. Cockerell, The, 5 Pet. (U.S.) 248; 8 L.Ed. 414 (1831) 2

Pomeroy's Lessee v. Bank of Indiana, 1 Wall (U.S.) 592; 17 L.Ed. 638 (1863) 2

Suydam v. Williamson, 20 How. (U.S.) 427; 15 L.Ed. 978 (1857) 2

Waterman v. Mackenzie, 138 U.S. 252; 34 L.Ed. 923 (1891) 3

In the Supreme Court of the United States

OCTOBER TERM, 1962

No. 749

BEATTY SAFWAY SCAFFOLD CO., *Petitioner.*

vs.

UP-RIGHT, INC., a Corporation, *Respondent.*

Petitioner's Reply Brief

The attempt by Respondent to divert the fundamental questions of law, 1 and 2, raised in this Petition for Certiorari and to belittle them as mere disputed facts, is defeated for the following reasons:

A. Respondent admits (Brief, p. 4) that the record is silent as to the offer and admission into evidence of the unrecorded assignment upon which it bases its entire case and upon which the power of the Trial Court to enter a judgment is based. There is no disputed fact here as it stands admitted that the assignment is not in evidence.

B. The affidavit of Richard Davis, Deputy Clerk, (Respondent's Appendix A) admits that the list of exhibits which he

inserted with the record is "unofficial". Such an unauthorized act of a clerk in filing an "unofficial" list of exhibits cannot be countenanced as a substitute for the admission of a document in evidence because it usurps the judicial function. The absence of the unrecorded assignment as a part of the record stands admitted by the very presence of this affidavit.

C. This Court held as a matter of law in *The Lessor of Fisher v. Cockerell*, 5 Pet. (U.S.) 248; 8 L.Ed. 114 (1831), that the failure to place a proper document in evidence could not be remedied by the affidavit of a clerk, and held at page 254:

> "In cases at common law, the course of the court has been uniform not to consider any paper as part of the record which is not made so by the pleadings, or by some opinion of the court referring to it. This rule is common to all courts exercising appellate jurisdiction, according to the course of the common law. The appellate court cannot know what evidence was given to the jury unless it be spread on the record in proper legal manner. The unauthorized certificate of the clerk that any document was read, or any evidence given to the jury, *cannot make that document or that evidence a part of the record so as to bring it to the cognizance of this court.*" (Emphasis supplied.)*

Accordingly, as a matter of law, the unauthorized affidavit of a clerk does not make the missing proof a part of the present record.

D. The Trial Court itself stated (R. 179) that mere reference to an exhibit in the course of the trial does not mean that it is admitted in evidence.

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*This decision was followed by this Court for over fifty years. *The Lessee of Reed v. Marsh*, 13 Pet. (U.S.) 153; 10 L.Ed. 103 (1839); *Suydam v. Williamson*, 20 How. (U.S.) 427; 15 L.Ed. 978 (1857); *Pomeroy's Lessee v. Bank of Indiana*, 1 Wall (U.S.) 592; 17 L.Ed. 638 (1863); *England v. Gebhardt*, 112 U.S. 502; 28 L.Ed. 811; 5 Sup. Ct. 287 (1884). There appears to be no reference to this line of cases in the last seventy-five years.

E. The reading of the assignment and the license by counsel for Petitioner does not make these documents a part of the record, especially since the Trial Court threatened that if they were used they would have to be offered in evidence by Petitioner (R. 175). If they had already been in evidence this would not have been necessary. Petitioner's counsel found no justification for or reason to offer Respondent's documents to prove Respondent's case.

F. Falling back to Respondent's secondary position, there is no dispute that the exclusive license was not offered in evidence. The fact is admitted that it was not (Brief, p. 7).

G. Calling a document an "exclusive license" does not make this a fact. Its provisions must be examined in order to establish the right of a licensee to sue in its own name under the doctrine of *Waterman v. Mackenzie*, 138 U.S. 252, 34 L.Ed. 923 (1891). It was held in that case (p. 256):

> "Whether a transfer of a particular right or interest under a patent is an assignment or a license does not depend upon the name by which it calls itself, but upon the legal effect of its provisions."

H. If, as Respondent asserts, the agreements of the Pre-Trial Order are controlling, then the agreed fact that Johnson is the owner of the patent in suit (R. 17-18) is inconsistent with the claimed right of the licensee Up-Right, Inc., to sue in its own name alone, and the statement of ownership would prevail. There can be no dispute about this.

Questions 1 and 2 presented by the Petition are of fundamental concern to every litigant,—does the Trial Court have the power to enter a judgment, and does the Appellate Court also have the power to review such a judgment, when it admittedly appears that the documents upon which the jurisdiction and power are based, are not in evidence. The up-dating and reaffirmance with respect

to basic principles long taken for granted is of greatest interest to the public, especially when the same are challenged and overridden, as was done here.

It is respectfully urged that the Petition should be granted.

Respectfully submitted,

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San Francisco, California